GOVERNMENT OF ANDHRA PRADESH
A B S T R A C T

Public Financial Management - Establishment of Fiscal Management Committee(FMC) - Orders - Issued.

FINANCE (CASH MANAGEMENT) DEPARTMENT

G.O.MS.No. 1 Dated: 02.01.2016

Read the following:

G.O.RT.No.2780, Finance (OP.II) Department dated 13.11.2015

O R D E R:

1. The Government hereby order for the establishment of Fiscal Management Committee(FMC) with the following Members:

Sri C.S.Rao IAS (Retd.), Advisor to Hon'ble Chief Minister	….	Chairman
Sri K.Narasimha Murthy, Chartered Accountant	….	Member
Sri Kutumba Rao, Vice ChairmanState Planning Board	….	Member
Finance Secretary (Expenditure)	….	Member-Convenor

2. The Terms-of-Reference(TOR) of the Commission, whose mandate encompasses all government departments, public sector enterprises, autonomous and other institutions that receive grants-in-aid from the Government, include the following:

a) Review major areas of expenditure and suggest ways of creating fiscal space required to meet the developmental and welfare measures, while increasing commitment to fiscal discipline and prudent financial management;
b) Review the institutional arrangements, including the budgeting processes, financial management systems, and Fiscal Responsibility and Budget Management (FRBM) Rules, for effective fiscal discipline and suggest improvements therein;
c) Suggest measures to improve allocable efficiencies in the existing expenditure classification system, including increased focus on capital expenditure;
d) Design a framework to improve operational efficiency of expenditure through focus on utilisation, targets, outputs, and outcomes;
e) Suggest measures to achieve reduction in financial costs through effective management system;
f) Suggest improved resource mobilisation strategies from all potential sources and suggest measures for increased efficiency in utilisation of approved budget with particular reference to central assistance to state plan schemes and capital investment;
g) Suggest improved financial reporting system in terms of accounting, budgeting, etc. by the departments;
h) Review the debt management systems and processes to assess the scope for reduction in cost of borrowings and servicing of debts;

i) Review the Cash Management Procedures to suggest frameworks for Cash Management with reduced uncertainty with concomitant changes to the Service Charters of the Treasury Department;

j) Suggest effective use of information technology (IT) tools, especially e-Nidhi,for efficient expenditure management; and

k) Consider any other issue relating to public financial management and make suitable recommendations.

3. The Committee may devise its own procedure for conducting its business efficiently.It may utilise the services of Financial and Economic Analysis Division (FEAD) of the Finance Department establishedin the reference read above, for secretariat support. It may also contract the services of experts and advisors to fortify FEAD, as it deems appropriate in order to complete the assigned task within the specified time frame.

4. The Committeemay call for any information from any department, public sector undertaking, autonomous institution and any other organisation that is partly or wholly financed by the Government and obtain suchinformation, as it may consider necessary. All the Secretariat Departments, Heads of Departments, District Collectors and head of PSUs and Autonomous Institutionsreceiving government grants are requested to furnish such information and documents that the Commission may call upon for its use and render such assistance as may be required by the Commission.

5. The Committeeshall submit its first interim report by March 15, 2016 and its final report by June 15, 2016. The expenditure relating to the working of the committee shall be met from the budget of the Finance Department.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

DR P. V. RAMESH
PRINCIPAL FINANCE SECRETARY TO THE GOVERNMENT

To
Sri C.S. Rao IAS (Retd.), Advisor to the Hon'ble Chief Minister
Sri K. Narasimha Murthy, Chartered Accountant
Sri Kutumba Rao, Vice Chairman, State Planning Board
Sri Muddada Ravi Chandra IAS, Finance Secretary (Expenditure)

Copy to:

1. The Chief Secretary to Government
2. All Special Chief Secretaries / Principal Secretaries, Secretaries and Special Secretaries to the Government
3. Heads of all Government Departments
4. All District Collectors
5. Chief Executive Officers of all Public Sector Enterprises, Vice-Chancellors of Universities and Heads of Institutions receiving Grants-in-Aid from the Government
6. Commissioners of all Urban Local Bodies in the State
7. The Registrar-General of Hon'ble High court of Telangana and Andhra Pradesh
8. Secretary to the State Legislature
9. The Accountant General for the State of Andhra Pradesh
10. The Principal Auditor General for the State of Andhra Pradesh
11. The Director of Treasuries and Accounts, A.P. Hyderabad.
12. The Director of Works Accounts, A.P. Hyderabad.

13. The Pay & Accounts Officer, A.P., Hyderabad.
14. The Principal Secretary / Secretary to the Hon'ble Chief Minister
15. The OSD / PS to all Hon'ble Ministers / Advisors to the Chief Minister with a request to bring to the notice of the Hon'ble Ministers / Advisors
16. The Resident Commissioner of Andhra Pradesh Bhawan, New Delhi
17. The Secretary to Government of India, Ministry of Finance, North Block, New Delhi